(b) if so, the details thereof;

(c) whether this consultative paper has some provision of punishment against those who do not company with the instructions of this paper;

(d) if so, the details thereof with formulities required for lodging complaints by small investors in case unfair and fraudulent trade practices are noticed by them;

(e) whether the provisions of this paper will also check the unfair and fraudulent activities of share brokers in case they arrange less price of equities sold by them against the desired price of investors; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes Sir. The Securities and Exchange Board of India has issued a consultative paper on prohibition of fraudulent and unfair trade practices relating to the securities market. The paper, which is a draft of the regulations on the subject, seeks to define fraudulent and unfair trade practices with a view to preventing them and provides for penal measures for contraventions.

(c) and (d) Regulation 6 of the draft Consultative Paper gives details of investigations to be conducted by SEBI, including inspection of the books of accounts and other relevant documents of any intermediary in case of any violation under these regulations. Regulation 12 provides for penalities for contraventions. In addition, SEBI is also sought to be empowered to initiate criminal proceedings against the accused, if required..

(e) and (f) Regulations 5(e) of the draft stipulates that no person shall 'when acting as an agent execute the transactions with a client at a price other than the price at which it was executed on the exchange or other than the price it was offset against the transactions of another client.' Contravention of this regulation is punishable.

Income tax Evasion

4407. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the income tax evasion by some of the leading industrial houses and prominent businessmen has been unearthed as reported in the daily Hindu dated 3rd April, 1995; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, enquiries by Investigation Wing of the Income Tax Department, New Delhi have unearthed income tax evasion by some of the leading industrial houses and prominent businessmen.

(b) 32 persons are suspected to be evading taxes by showing bogus agricultural income, out of which 13 have admitted so and paid taxes thereon 9 have admitted so but have not paid taxes as yet and enquiry is still going on in balance cases.

New coins of Rs. 2 and Rs. 5 denomination

4408. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether is it a fact that the Reserve Bank of India had approached the Ministry for changing the shape of Rs. 2 and Rs. 5 coins; if so, what is Government's reaction in this regard; and

(b) whether it is also a fact that there has been a public resentment in transacting with the coins?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. The matter is being examined by the Government in consultation with Reserve Bank of India.

(b) Some complaints in this regard were received from the public also.

Government takeover of ITC

4409. SHRI RAHASBIHARI BARIK: Will the Minister of FINANCE be pleased to state:

(a) whether has Ministry propose to take over Indian Tobacco Company Limited; and

(b) if so, the steps taken in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

Opening of new branches of Syndicate Bank in Orissa

4410. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of banks functioning in Orissa;

(b) whether Government have a proposal to open some of the branches of Syndicate Bank in that State during 1994-95; and

(c) if so, the places identified for the location of those bank branches.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) As at the end of December 1994, 1319 branches of public sector banks were functioning in Orissa.

(b) and (c) Reserve Bank of India have reported that they have not received any proposal for opening branch in Orissa from Syndicate Bank during 1994-95.

Impact of Collapse of Barings Banks on Indian Stock Exchanges

4411. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have assessed the impact of the collapse of Barings (Britain's oldest merchant Bank) on Indian bourses, Stock Exchanges and the Indian market's plans to usher in trading in derivatives like options;

(b) if so, the outcome thereof; and

(c) what lessons have been learnt by Government from the Barings fiasco paricularly in the the context of the Exchanges like the National Stock Exchange and the OTC Exchange of India planning to introduce options trading in the near future and to evolve a right monitoring system with a centralised clearing house?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The incident related to Barings PLC and its subsidiaries has not had any tangible repurcussions on the Indian stock market.

(c) The recent collapse of Barings PLC has brought out the importance of laying down strict guidelines and their enforcement for trading in derivatives in order to ensure the safety of the market. The Securities and Exchange Board of India (SEBI) has indicated that it would take into account the experience relating to the collapse of Barings PLC before deciding on the checks and balances required for implementation of options and futures trading in securities in India.